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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/632,323	08/04/2003	Keith Anthony Washington		5220
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Keith Anthony Washington 2101 10th Avenue Oakland, CA 94606			CHENCINSKI, SIEGFRIED E	
		ART UNIT	PAPER NUMBER	
			3692	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/632,323	WASHINGTON, KEITH ANTHONY	
Examiner	Art Unit		
Siegfried E. Chencinski	3692		

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
  - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
  - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1)  Responsive to communication(s) filed on 01 March 2007.  
2a)  This action is **FINAL**.                  2b)  This action is non-final.  
3)  Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## **Disposition of Claims**

- 4)  Claim(s) 5-8 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5)  Claim(s) \_\_\_\_\_ is/are allowed.

6)  Claim(s) 5-8 is/are rejected.

7)  Claim(s) \_\_\_\_\_ is/are objected to.

8)  Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

Application Papers

- 9)  The specification is objected to by the Examiner.

10)  The drawing(s) filed on \_\_\_\_\_ is/are: a)  accepted or b)  objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)  The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12)  Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a)  All    b)  Some \* c)  None of:  
1.  Certified copies of the priority documents have been received.  
2.  Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3.  Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a))

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1)  Notice of References Cited (PTO-892)  
2)  Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3)  Information Disclosure Statement(s) (PTO/SB/08)  
    Paper No(s)/Mail Date .  
  
4)  Interview Summary (PTO-413)  
    Paper No(s)/Mail Date. \_\_\_\_.  
5)  Notice of Informal Patent Application  
6)  Other: \_\_\_\_\_.

## DETAILED ACTION

### Support of Registered Attorney or Agent

1. While an inventor may prosecute the application, it is the USPTO's experience that lack of prosecution experience usually acts as a liability in affording the maximum protection for the invention disclosed. The Office recommends that applicant consider securing the services of a registered patent attorney or agent to prosecute the application, since the value of a patent is largely dependent upon skillful preparation and prosecution.

2. The following sources are available for selecting an Attorney or agent.

(A) Applicant can search the roster of attorneys and agents at the Office's home page, <http://www.uspto.gov>. Click on "Site Index" at the top of the home page. Then, in the alphabetical list, click on "Agent and Attorney Roster". Then click on "Attorney/Agent Search".

(B) Applicant is advised of the availability of the publication "Attorneys and Agents Registered to Practice Before the U.S. Patent and Trademark Office." This publication is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

### *Specification*

3. The amendment filed on March 1, 2007 is objected to under 35 U.S.C. 132(a) because it introduces new matter into the disclosure. 35 U.S.C. 132(a) states that no amendment shall introduce new matter into the disclosure of the invention. The added material which is not supported by the original disclosure is as follows: The amendment to the specification is basically a virtual rewriting of the invention, beginning with the background information Large parts of the amended specification are entirely new. In turn the amended claims depend on the new matter in the specification, which creates a condition called "lack of antecedent basis". Amendments to the specification are only permitted to correct spelling and grammatical errors which do not change the content. In a practical manner, one should be able to put the original version and the amended

versions side by side and see essentially the same specification with the minor corrections noted above which do not change or expand upon the content.

Applicant are required to cancel the new matter in the reply to this Office Action. At this stage of prosecution, since this is a final rejection as noted at the end of this Office Action, a Request for Continued Prosecution would be required, with the appropriate fee. From a practical standpoint, the examiner does not recommend that Applicant expend more time, effort and funds in pursuit of this Application because the examiner fails to see a patentable invention in Applicant's claims or specification. Abandonment of this application would seem to be in Applicant's best interest. Patentability is a subtle concept which is different from other types of novelty, including commercial novelty. An idea could be novel and have commercial success in the market place without having patentable novelty. To understand this subtlety requires understanding of patent law and patent regulations, the core of which turn on patentable anticipation by prior art references under 35 USC 102 or the legal doctrine of obviousness and obviousness combination of prior art found or determined by the examiner under 35 USC 103(a) to have been obvious to the ordinary practitioner of the specific art involved in the claimed invention. This is why the Patent Office makes the above recommendation that an inventor retain a Patent Attorney or a Patent Agent, both of whom have demonstrated their knowledge of Patent Law through the successful passing of an examination administered by the US Patent Office. This status is disclosed through a Patent Bar registration number issued upon passing of the appropriate examination.

The substitute specification filed on March 1, 2007 has not been entered because it does not conform to 37 CFR 1.125(b) and (c) because the amended specification contains new matter.

#### **4 Proper Filing of NEW MATTER**

Should Applicant want to enter the new matter submitted by Applicant in his response filed march 1, 2007 in an essentially new specification, Applicant would have to enter it

through a new application. There is a possibility that a limited portion of the new specification may be able to receive applicant's current filing date if timely filed as a "continuation-in-part". The above newly submitted specification would not be acceptable for purposes of receiving the priority date of the current application as a continuation or divisional application of the current application since those types of applications must be filed with the identical specification as their parent application. Only different claims are permitted in continuation and divisional applications. However, such claims must have antecedent basis in the original specification. The new specification must be submitted in a new application, or through a continuation-in-part application where the portions which are common with the parent application can retain the effective date of the originally disclosed matter. Thus, claim limitations not supported by the older filing date would have the effective filing date of the new application date. The timely filing date of a new C-I-P noted above would be a filing date prior to abandonment of the current application. Abandonment date is established by the date of one of the following alternatives: 1) When Applicant expressly notifies the Patent Office in writing of the abandonment, or 2) after six months have elapsed without a proper written response to the most recent Patent Office Action.

#### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**5. Claims 5 - 8 are rejected** because the claimed invention is directed to non-statutory subject matter. Claims 5 and 6 are not directed to any one of the areas of patentable subject matter, such as product, process, process of making or composition.

**Claims 5 and 6** are rejected under 35 U.S.C. 101 because the claims lack structure. The claimed recitation of a use, without setting forth any steps involved in the process, results in an improper definition of a process, i.e., results in a claim which is

not a proper process claim under 35 U.S.C. 101. See for example *Ex parte Dunki*, 153 USPQ 678 (Bd.App. 1967) and *Clinical Products, Ltd. v. Brenner*, 255 F. Supp. 131, 149 USPQ 475 (D.D.C. 1966).

**Claims 7 and 8** are rejected under 35 U.S.C. 101 because each claim contains a mix of a method for detecting credit card fraud and a means for wiring money. This results in claiming of two inventions in one claim, which is prohibited by this statute.

Applicant is advised to satisfy the statutory requirements for the claims. Applicant is also advised not to add any new matter to the specification or the claims.

#### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

6. **Claims 5-8 are rejected** under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the only valid specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The valid specification fails to describe to an ordinary practitioner of the art who would want to implement this invention how to implement it. The specification primarily describes certain features and benefits of the invention's concept of using numbers associated with a user or customer without going into the details necessary for putting the invention into practical use. The ordinary practitioner would have to engage in an unreasonable amount of experimentation or attempt to have Applicant show him how to put the invention to practical use.

7. **Claims 5-8 are rejected** under 35 U.S.C. 112, first paragraph, because the best mode contemplated by the inventor has not been disclosed. Evidence of concealment of the best mode is based upon a lack of any embodiments of the invention whatsoever in the original specification, with the best mode absent as well. The new specification is

new matter and is thus not a valid antecedent basis for current claims. It is not permitted to rewrite the originally submitted specification. What is permitted are corrections of spelling and grammar which do not change the content.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**8. Claims 5 and 6 are rejected** under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: a systems procedure for carrying out an invention. It is unclear what method/process applicant is intending to encompass. A claim is indefinite where it merely recites a use without any active, positive steps delimiting how this use is actually practiced.

**Claim 5** is a systems claim which fails to meet the definition of a system. The claim's preamble states "An online billing system, comprising:" "a valued customer date for its billing numbers," followed by a lengthy description of intended use. This is not a description of a system. The Merriam-Webster's Collegiate Dictionary, 10<sup>th</sup> Edition, defines a system as "an organized or established procedure". It is merely a statement or a definition of a condition, namely of "An online billing system, comprising a valued customer date for its billing numbers". The remaining words in claim 5 are a statement of intended use.

**Claim 6** is structured similarly to claim 5, namely giving the description: "An online billing system comprising an account expiration date for its billing numbers". The remaining words in claim 6 are a statement of intended use.

#### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**9. Claims 5-8 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Carney et al. (US Patent 5,890,141, hereafter Carney) and Official Notice.

**Re. Claims 5-8,** Carney discloses "A system and method for detecting and thus preventing check fraud utilizing a digital computer with image capture and interpretation systems. The system converts the payee information, issue date and the MICR line information (account number, check number and dollar amount) to a check digit which is then placed into the MICR line of a check, printed on its face or transmitted via the paid issuance file to the drawee bank. The drawee bank, upon presentment utilizes a transformation algorithm to convert the printed payee information and issue date on the check into a numerical value that is combined with MICR line information and a check digit is calculated based upon pre-agreed logic. This unique data processing system quickly confirms properly presented checks while effectively precludes payee and other alterations in a cost effective manner." (Abstract). An ordinary practitioner of the art at the time of Applicant's invention would have seen that Carney discloses verification of checks for fraud detection purposes by checking certain characters on a check against another set of characters. The examiner takes Official Notice that addresses and telephone numbers had been preprinted on consumer and commercial checks for decades prior to Applicant's invention. An ordinary practitioner would have seen it as obvious that one could also use such preprinted customer address and telephone number check information to verify the authenticity of the presenter/customer. Therefore, the ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to use Carney's disclosure to construct an anti-fraud billing system in the following applications:

**Re. Claim 5,** a system using a valued customer date for its billing numbers (Carney does not explicitly disclose a valid customer date in the fraud detection disclosure).

However, the examiner takes Official Notice that it had been long practiced to also have a valued customer date preprinted on bank checks along with the customer's name, address and telephone number).

**Re. claim 6**, a system using an account expiration date for its billing numbers (Carney does not explicitly disclose an account expiration date in the fraud detection disclosure. However, the examiner takes Official Notice that account expiration dates have been embossed on credit cards for decades prior to Applicant's invention as part of a fraud detection system).

**Re. Claim 7**, a method verifying ownership of address billing numbers by matching the address billing numbers to numbers of the consumer's address (obvious from Carney, above). The balance of claim 7's language does not have patentable weight as it does not represent method step limitations.

**Re. Claim 8**, a method verifying ownership of telephone billing numbers by matching the telephone billing numbers to the consumer's telephone number through a caller ID system (obvious from the above rationale just prior to claim 5). The balance of claim 8's language does not have patentable weight as it does not represent method step limitations.

**Re. Claims 5-8**, the ordinary practitioner would have found it obvious to have combined the disclosure of Carney with the Official Notice regarding well known practices in order to establish a detecting fraud in on-line billing systems, motivated by a desire to offer techniques for detecting fraud and abuse in commercial payment instruments (Carney, Col. 1, ll. 6-7).

#### ***Response to Arguments***

10. Applicant's arguments filed March 1<sup>st</sup>, 2007 with respect to claims 5 - 8 have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Richard E. Chilcot, can be reached on (571) 272-6777.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

***Commissioner of Patents and Trademarks, Washington D.C. 20231***

or (571)273-8300 [Official communications; including After Final communications labeled "Box AF"]

(571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

May 11, 2007

  
FRANTZY POINVIL  
PRIMARY EXAMINER  
*fa 3692*